

Message Text

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41

ORIGIN ARA-10

INFO OCT-01 ISO-00 IO-10 EB-07 SSO-00 OIC-02 CIAE-00

DODE-00 PM-03 H-02 INR-07 L-02 NSAE-00 NSC-05 PA-02

RSC-01 PRS-01 SP-02 SS-15 USIA-15 STR-04 COME-00

TRSE-00 TAR-01 AGR-10 INRE-00 /100 R

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TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS IMMEDIATE

INFO USMISSION USUN NY

UNCLAS STATE 018348

E.O. 11652: N/A

TAGS: ETRD, OAS

SUBJECT:TRADE ACT OF 1974 - OAS PERMANENT COUNCIL

SPECIAL SESSION

REF: STATE 13830

1. FOR THE INFORMATION OF POSTS, FOLLOWING, IN ALPHABETICAL ORDER, ARE PARAPHRASES OF POSITIONS EXPRESSED BY DELEGATIONS, OTHER THAN U.S., DURING JANUARY 20 SESSIONS: HAITI WAS PRESENT,BUT DID NOT SPEAK.

2. ARGENTINA: DEPLORED THE DISCRIMINATORY FEATURES OF THE TRADE ACT (TA), ESPECIALLY SINCE THEY TOLD SECRETARY KISSINGER OF THESE FEATURES AT TLATELOLCO AND ATLANTA, AND HAD HOPED THAT THEY WOULD BE ELIMINATED IN THE FINAL VERSION. LAW IS NEGATIVE AND REVIVES POLICY OF POWER POLITICS. MANY COUNTRIES CAN BE ADVERSELY AFFECTED BY THE LAW. WE SHOULD DISCUSS THE LAW WITH THE U.S. IN UNCLASSIFIED

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EVERY APPROPRIATE FORUM, PARTICULARLY AT THE MFM IN BUENOS AIRES, FOR WE ARE SURE SECRETARY KISSINGER WILL COME TO THAT MEETING, WHILE WE CANNOT BE SURE OF HIS PRESENCE AT OTHER MEETINGS, SUCH AS THE GENERAL ASSEMBLY.

THERE ARE, HOWEVER, SOME POSITIVE ASPECTS OF THE LAW, SUCH AS THE NEGOTIATING AUTHORITY IT GIVES THE U.S. THIS ISSUE ILLUSTRATES THE FRAGILITY OF THE INTER-AMERICAN SYSTEM, AND WE MUST BE CAREFUL NOT TO AGGRAVATE THE SITUATION BY TAKING RIGID POSITIONS, RECOGNIZING THAT THE INTERESTS OF THE U.S. AND OF LATIN AMERICANS WILL NOT ALWAYS BE THE SAME.

3. BARBADOS: HAD NOT PLANNED TO SPEAK, BUT WISHED TO POINT OUT THE THREAT THAT IS IMPLICIT IN THE TA. MUST ALSO RECOGNIZE HOPEFUL SIGN THAT PRESIDENT FORD SAID HE PLANS TO SEEK CHANGES. THEREFORE, ISSUE SHOULD BE TREATED IN SPIRIT OF DIALOG.

4. BOLIVIA: STILL STUDYING THE TA, THUS DOES NOT HAVE A FINAL POSITION. BUT FEELS IT UNFORTUNATE THAT TA HAS PRODUCED SUCH A REACTION. BEST TO SEEK SOLUTION BY CONTINUING THE DIALOG.

5. BRAZIL: FELT THAT THE LAW COULD BE A CODE OF RESTRICTION INSTEAD OF LIBERALIZING DOCUMENT BECAUSE OF MANY OF PROVISIONS FOR REPRISALS FOR PRICING POLICIES ON RAW MATERIALS AND MANUFACTURED GOODS. THE VALUE OF THE SCCN IS QUESTIONABLE, SINCE THE CONCERN WE VOICED THERE WERE NOT HEARD.

6. CHILE: CHARGED THAT THE LAW CONTAINS MANY UNFORTUNATE PROVISIONS, BUT THAT IT IS VERY COMPLEX AND RE-QUIEDRES FURTHER STUDY. LATIN AMERICAN COUNTRIES AND U.S. EXECUTIVE BRANCH SEEM TO AGREE ON DISCRIMINATORY ASPECTS OF TA. WE SHOULD PRESENT OUR JOINT POSITION TO CONGRESS. BUT OUR POLITICAL OBJECTIVE IS TO NOT ADD TO OUR PROBLEMS, SO WE SHOULD USE ALL AVENUES TO CONTINUE THE DIALOG.

7. COLOMBIA: SPOKE LATE IN DAY STATING THAT IT HAD MADE ITS POSITION CLEAR IN SIGNING LETTER REQUESTING THE UNCLASSIFIED

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SPECIAL SESSION OF THE PERMANENT COUNCIL, AND HAD NOTHING TO ADD TO DISCUSSION.

8. COSTA RICA: FOUND STATEMENTS OF PRESIDENT FORD AND OTHER HIGH USG OFFICIALS HELPFUL REGARDING THE DISCRIMINATORY FEATURES OF THE TA FOR VENEZUELA AND ECUADOR. REFERRED TO THE LINOWITZ REPORT RECOMMENDING THE ENDING OF U.S. UNILATERAL ECONOMIC MEASURES. SAID IT COULD NOT ACCEPT ARGUMENT THAT THE TA IS AN INTERNAL AFFAIR OF U.S., FOR THE TA AFFECTS ALL COUNTRIES AND VIOLATES U.S. COMMITMENTS UNDER THE OAS CHARTER.

9. DOMINICAN REPUBLIC: SAID GOVERNMENT IS PRESENTLY

STUDYING THE TA AND WOULD MAKE ITS POSITION KNOWN LATER, BUT SUPPORTED PROPOSALS FOR DISCUSSING THE MATTER IN THE GENERAL ASSEMBLY, OR IN ANY OTHER FORUM.

.0. ECUADOR: REITERATED THAT IT WOULD NOT GO TO BUENOS AIRES WHILE THE DISCRIMINATORY PROVISIONS REMAIN IN THE LAW, SINCE IT IS IMPOSSIBLE TO CONDUCT A DIALOG UNDER THREATS OF COERCION. THE LAW IS A THREAT TO MANY COUNTRIES, AND VIOLATES ARTICLE 19, 37 AND 38 OF THE OAS CHARTER, AS WELL AS UNCTAD. WE HAVE DISCUSSED THE DISCRIMINATORY FEATURES OF THE LAW ON VARIOUS OCCASIONS, ESPECIALLY IN THE SCCN, BUT APPARENTLY TO NO EFFECT. MATTER SHOULD BE DISCUSSED EITHER IN ORGAN OF CONSULTATION, OR IN THE GENERAL ASSEMBLY.

11. EL SALVADOR: SUPPORTED DENUNCIATION OF THE DISCRIMINATORY FEATURES OF THE TA, PARTICULARLY BECAUSE THEY AFFECT SISTER REPUBLICS. BUT WANTS TO CONTINUE THE DIALOG, AND REFERRED TO JUST ISSUED DECLARATION OF SANTO TOMAS DE CASTILLO.

12. GUATEMALA: EXPRESSED SOLIDARITY WITH COUNTRIES AFFECTED BY TA, AND HOPED U.S. COULD MAKE ADJUSTMENTS. SUGGESTED SEEKING AMICABLE SOLUTIONS IN THE OAS, AND AT THE MFM IN BUENOS AIRES, IF IT IS HELD. GOVERNMENT IS STILL STUDYING BOTH POSITIVE AND NEGATIVE ASPECTS OF THE TA. REFERRED TO DECLARATION OF SANTO TOMAS.
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13. HAITI: DID NOT SPEAK.

14. HONDURAS: DISCRIMINATORY FEATURES OF THE TA VIOLATE THE OAS CHARTER, AND JUSTIFIES REJECTION OF TA. BUT TO GET COOPERATION ON THE BASIS OF JUSTICE, WE NEED OPEN DIALOG, AND, THEREFORE, SHOULD STUDY THE PROVISIONS OF THE TA IN ALL ADEQUATE FORUMS, INCLUDING MFM, IF IT IS HELD, IN THE SPIRIT OF THE DECLARATION OF SANTO TOMAS.

15. JAMAICA: QUOTED AT LENGTH FROM PRESIDENT FORD'S STATEMENT, AND CONCLUDED THAT LATIN/CARIBBEAN COUNTRIES AND U.S. EXECUTIVE BRANCH AGREE, AND HOPES THAT THEIR CONCERNS ABOUT THE TA WILL BE COMMUNICATED TO THE CONGRESS. SAID IT WAS UNFORTUNATE THAT THIS ISSUE AROSE JUST WHEN PROGRESS IS BEING MADE IN THE NEW DIALOG, AND BELIEVES TA SHOULD BE ON GENERAL ASSEMBLY AGENDA, AS WELL AS THAT OF MFM, WHERE JAMAICA WILL MAKE KNOWN ITS SPECIFIC VIEWS.

16. MEXICO: CITED INSTRUCTIONS FROM RABASA TO SUPPORT VIGOROUSLY DENUNCIATION OF THE TA, AND MAKE EVERY

EFFORT TO FIND A SOLUTION SO THAT LA RIGHTS NOT BE VIOLATED. SCCN DECLARATION CHARGED THAT THE LAW VIOLATES

ARTICLE 19 AND OTHERS OF THE OAS CHARTER, AS WELL AS UNCTAD, THE TOKYO DECLARATION, AND THE SPIRIT OF TLATELOLCO. TA EXCLUDES NOT ONLY OPEC COUNTRIES, BUT ALL CARTEL COUNTRIES, AND THE JUDGE OF WHO MEETS CRITERIA FOR PREFERENCES IS THE U.S. WANTS TO WORK TO HAVE ELIMINATED PARTS OF TA WHICH VIOLATE OAS CHARTER, AND CERDS ("INCONTESTIBLE EXAMPLE OF INTERNATIONAL LAW").

17. NICARAGUA: POINTED OUT THAT THE LAW DOES HAVE GOOD POINTS, BUT THAT THERE ARE DISCRIMINATORY FEATURES. THE SPIRIT OF SANTO TOMAS SUGGESTS THAT DIALOG IS BEST IN WHATEVER FORUMS, AND THE SUBJECT COULD BE TAKEN UP IN GENERAL ASSEMBLY IF THE MINISTERS DON'T WANT TO MEET IN BUENOS AIRES. ADDED THAT HE (AMBASSADOR SEVILLA UNCLASSIFIED

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SACASA) CANNOT BELIEVE THAT THE U.S. WOULD WANT TO HURT LATIN AMERICA, THAT U.S. IS GREAT POWER WITH GOOD HEART AND THAT WE SHOULD NOT BE PESSIMISTIC.

18. PANAMA: COMPLAINED THAT IT WAS NOT POSSIBLE TO KNOW WITH WHOM IN THE USG ONE COULD NEGOTIATE, AND WONDERED HOW THEY COULD BE SURE OF GETTING THE RIGHT U.S. OFFICIAL TO EITHER THE GENERAL ASSEMBLY, OR TO THE MFM. HE SAID PANAMA PRESENTLY PLANS TO ATTEND THE BUENOS AIRES MEETING, WHICH WAS AGREED UPON UNANIMOUSLY, UNLESS IT CHANGES ITS MIND. HE ARGUED THAT THE MFM HAD ACHIEVED A SOLIDARITY WHICH THE OAS COULD NOT ACHIEVE, AND ECHOED COMPLAINTS ABOUT THE USELESSNESS OF THE OAS/SCCN IN WHICH THE TA HAD PREVIOUSLY BEEN DISCUSSED. PERHAPS WE SHOULD CALL FOR A SPECIAL MEETING OF THE OAS, SINCE THE GENERAL ASSEMBLY IS SO FAR AWAY IN APRIL, BUT THE TROUBLE WITH A SPECIAL MEETING IS THAT SECRETARY KISSINGER MIGHT NOT COME. PANAMA WILL SUPPORT ANY ACTION THE PERMANENT COUNCIL DECIDED TO TAKE, BUT RESERVES THE RIGHT TO FOLLOW THE LINE IT THINKS APPROPRIATE.

19. PARAGUAY: STILL STUDYING THE TA, AND BELIEVES THAT A SOLUTION WILL BE FOUND IF CONSULTATIONS WITH U.S. ARE CONDUCTED IN A SPIRIT OF CONCILIATION. SINCE THE DIALOG SHOULD NOT BE INTERRUPTED, PARAGUAY WILL GO TO BUENOS AIRES, SINCE IT IS ANOTHER CHANCE TO MEET WITH U.S.

20. PERU: SUPPORTED VENEZUELA AND ECUADOR IN REJECTING THE TA AS A THREAT TO DEVELOPMENT EFFORTS AND A VIOLATION OF THE CHARTER. REJECTED TALK OF GOOD HEARTED TREATMENT FROM THE U.S. AS A RETURN TO PATERNALISM. CAN'T

BELIVE THAT AFTER TWO YEARS, THE U.S. IS STILL STUDYING THE LAW. TA PROVES THE NEED FOR A SYSTEM OF COLLECTIVE ECONOMIC SECURITY, SINCE U.S. ACTIONS ARE PARALYZING THE OAS.

21. TRINIDAD/TOBAGO: STATED THE TA IS VERY COMPLICATED AND THUS NEEDS MUCH DETAILED STUDY. CONCERNED THAT WHILE TODAY VENEZUELA IS SUBJECT TO DISCRIMINATION, TOMORROW IT COULD BE SOMEONE ELSE. QUOTING UNCLASSIFIED

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PRESIDENT FORD, ARGUED THAT WE MUST DISCUSS IN SPIRIT OF ACCOMMODATION AND COMPROMISE, AND USE ALL AVAILABLE AVENUES TO DISCUSS, AND NOT RETREAT INTO FORTRESS OF DISCONTENT.

22. URUGUAY: STATED THAT THE LAW NEEDS MUCH STUDY, THOUGH ITS PRELIMINARY CONCLUSIONS ARE THAT URUGUAY IS NOT MUCH AFFECTED. REFERRED TO MEAT SITUATION - OVER 50 PERCENT OF EXPORTS, AND THE DAMAGE DONE TO ITS ECONOMY BY THE RISE IN OIL PRICES (ONLY COUNTRY TO MENTION OIL IN THIS WAY). SUGGESTED THAT STUDY OF THE LAW BE IN THE OAS CONTEXT AT THE GENERAL ASSEMBLY, ALSO AT MFAM WHICH IS POLITICALLY IMPORTANT FOR IT BRINGS TOGETHER THE MINISTERS OF LATIN AMERICA AND KISSINGER.

23. VENEZUELA: AS LEAD OFF SPEAKER IN MORNING SESSION, CRITICIZED THE LAW AS DISCRIMINATORY, AND IN VIOLATION OF THE CHARTER OF THE OAS ARTICLES 19, 34, 37 AND 35. CITED PROVISIONS ON EXCLUSION OF IMPORT SENSITIVE ARTICLES, AS WELL AS OPEC PROVISIONS, AND SAID THAT PRESIDENT'S DISCRETIONARY AUTHORITY MEANS THERE ARE NO REAL PREFERENCES. DEMANDED AMENDMENTS TO CORRECT THE LAW, NOT JUST INTERPRETATIONS. SUGGESTED THAT THE TA BE STUDIED, AND THE CONCLUSIONS BE SUBMITTED TO SOME POLITICAL LEVEL FOR DISCUSSION; WHICH COULD BE THE ORGAN OF CONSULTATION, THE GENERAL ASSEMBLY, OR ANOTHER APPROPRIATE FORUM IN WHICH TO FIND A FRIENDLY SOLUTION. POSITION HARDENED CONSIDERABLY DURING THE AFTERNOON SESSION, IN WHICH HE COMPLAINED THAT THE U.S. HAD NOT OFFERED ADEQUATE EXPLANATION OF TA, COMPLAINED THAT DISCRETIONARY AUTHORITY OF THE PRESIDENT MEANS THAT APPLICATION OF THE TA DEPENDS ON HOW THIS PRESIDENT, OR ANY OTHER, FEELS TOWARD LATIN AMERICA. HE DECLARED HE WAS TIRED OF U.S. BREAKING PROMISES, CITED THE FAILURES OF THE DIALOG IN THE DISCUSSIONS ON TRANS-NATIONAL ENTERPRISES AND ON TECHNOLOGY TRANSFERS, AND STATED THAT THE ONLY REAL RESULT OF THE DIALOG WAS THE TA. HE DOUBTED THAT STATE DEPARTMENT HAD BEEN INTERESTED IN MAKING THE CONGRESS UNDERSTAND LATIN CONCERNS, HE

STATED THAT PRESIDENT PEREZ HAS SAID HE WOULD NOT ATTEND

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THE DIALOG (SIC), AND THEN SAID THAT VENEZUELA WOULD
LIKE TO ATTEND THE MFM, BUT WOULD NOT GO TO BUENOS AIRES
UNLESS IT HAD ASSURANCES THAT THE TA WOULD BE MODIFIED.
(SEE STATE 16115 FOR LATER PUBLIC STATEMENTS OF VENEZUELA
POSITION). INGERSOLL

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